

Building Bridges To Success



Annual Report
2009-2010

A Program That Works For The Citizens Of Iowa



**Iowa Prison
Industries**

A Division of The Department of Corrections

1445 E Grand Ave, Des Moines, IA 50316
800-670-4537 • www.iaprisonind.com



2008 Annual Conference
March 14, 2008 • University of Iowa

Message From IPI

The Advisory Board and the staff of Iowa Prison Industries are pleased to present our Annual Operating Report for Fiscal Year 2010. This report provides an overview of our organization and a summary of the Fiscal Year's accomplishments, of which there are many. We have highlighted several significant events that will continue to help shape our future as we strive to expand our work opportunities for the offenders.

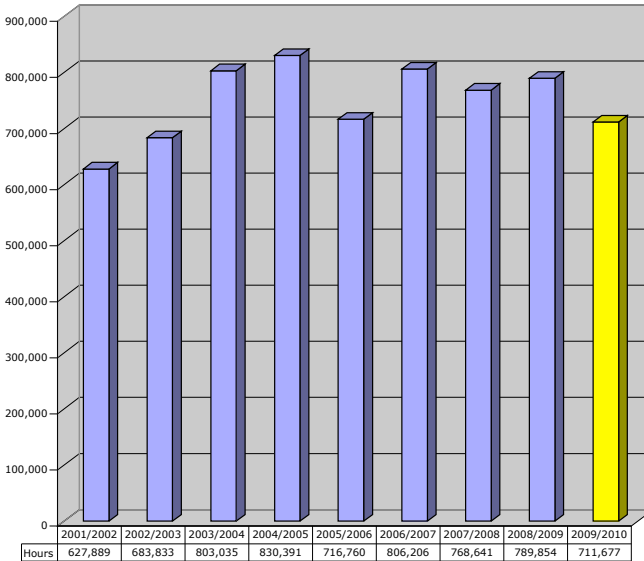
Although 2010 was one of the best year in IPI's history, we continue to have frustrations revolving around agencies not following the code, and the legislature's lack of will to enforce the code.

IPI is uniquely structured and represents the true spirit of social entrepreneurship. Our success is measured against a "double bottom line." We operate under a business model, meaning we are financially dependent upon our competitiveness and creative management skills to ensure that we are financially able to carry out the goals of providing work for offenders in vocations that allow them to return to the community as taxpayers at some future date. At the same time, we must give credit to our dedicated staff and offender population who have chosen to work at IPI. They are truly dedicated to the mission and causes for which we are obligated.

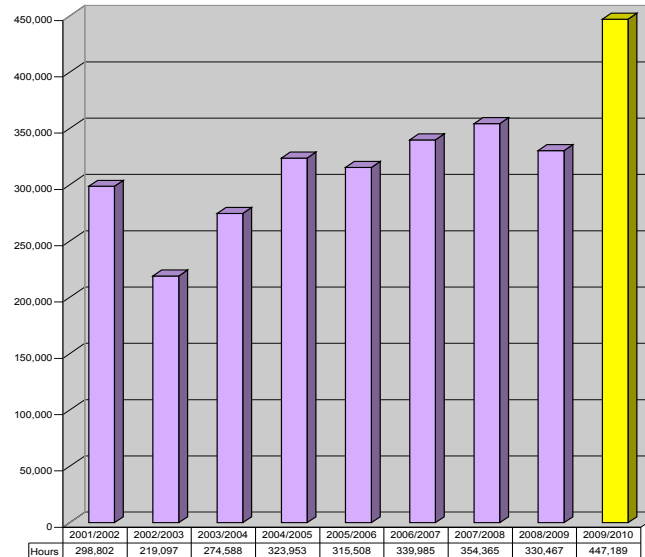
As you review our accomplishments (of which there are many), we do hope that we have answered most of the questions in your mind about IPI. We truly appreciate the support of our governing bodies and look forward to achieving the goals and mandates for the citizens of Iowa.

Inmate Work History

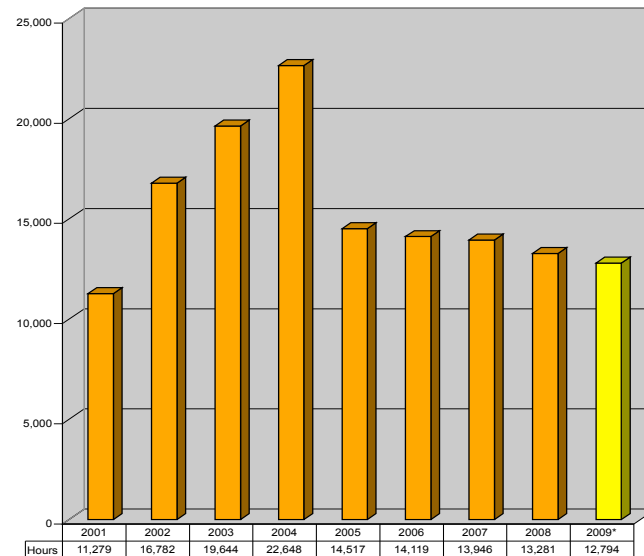
Traditional Industries Hours



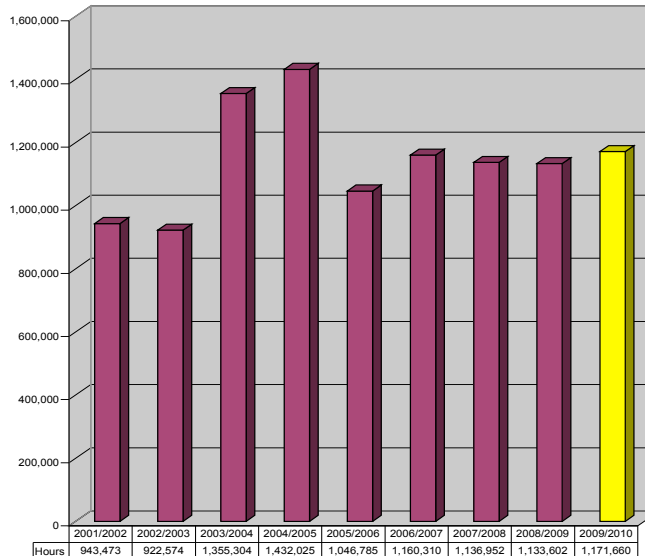
Private Sector Hours



Farms Hours



Total IPI Inmate Hours



*In addition, there were 47,303 garden hours

Who We Are

Inmate Labor:

IPI is a program that works by changing the lives of offenders so that they have a chance to become responsible, law-abiding, taxpaying individuals when they return to society.

Benefits of inmate labor:

- Provides Job Training
- Reduces Disruption and Violence
- Reduces Taxpayers' Costs
- Satisfies Citizens' Expectations

IPI provided almost 600 jobs throughout Iowa during FY2010. No other program is more important to the successful re-entry of an offender than work ethic and interpersonal skill development.

IPI focuses heavily upon hard skill development by hands-on teaching of craftsmanship and on the soft skill development of cooperation and teamwork.

IPI inmates are among the finest craftsmen that can be found in a prison setting as is evidenced by our "Customer Report Card," receiving 99.1% "Excellent" or "Good" rating on Service, Quality and Pricing with 98.5% of customers saying they would recommend IPI to others.

Inmate Wage Scale:

\$.58 for unskilled workers up to \$1.10 for skilled workers.

**Satisfied Customers
Equal More Work**

**Diversity...
Everyone Counts**

Industries Role In Rehabilitation Focuses On:

Soft Skills:

1. How to get along with others
2. How to interview
3. Problem solving
4. Customer satisfaction
5. Taxpayer expectation

Hard Skills:

1. Work / production
2. Measurements
3. Technology / design
4. Quality control
5. Performance rewards



Graphic Arts, Anamosa

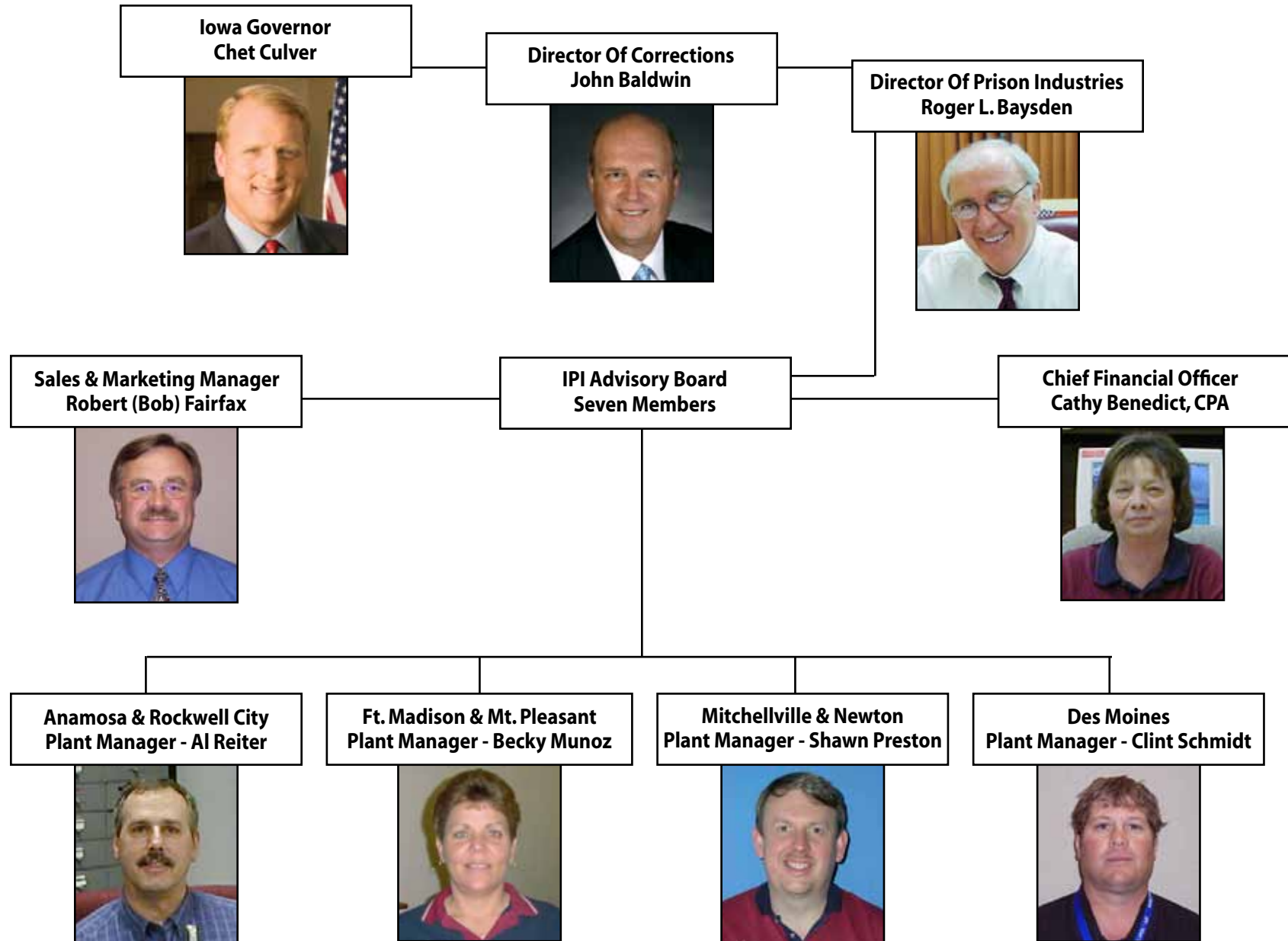


Textiles Operation, Mitchellville



Office Furniture, Madison County Courthouse

Who We Are



Who We Are

IPI Advisory Board Members

Name	Professional Organization	Year of Rotation
Robert Carr	Governor's Representative (Former State Senator)	2011
Dan Clark	Manufacturing Representative (Kemin Industries)	2011
Dr. Kathleen Delate	Agriculture Representative (Iowa State University)	2013
Dr. A. Douglas Hillman	Financial Representative (Drake University)	2011
Elizabeth Robinson	Parole Board Representative	2012
Michael Peters (Chair)	Voc-Tech Education Representative (Former State Representative)	2011
Mildred Slater	AFL/CIO-Labor Representative	2013

What They Do:

- Board meetings are held quarterly and rotate between all prisons with industries.
- Board members bring specialized expertise to IPI that has proven valuable.
- Board members:
 - Approve new business ventures.
 - Approve IPI's overall operations plans.
 - IPI Farm operations.
 - IPI / Private Sector operations.
 - Represent public and private business and labor.



IPI Board Members hold their quarterly meeting at the Fort Madison Plant. Pictured from left to right: Midge Slater, Maria Contreras, Roger Baysden, Michael Peters, Dr. Doug Hillman and Cathy Benedict.



*Dorm Furniture Operation,
Mount Pleasant*



Furniture Operation, Fort Madison



Library Furniture, Central Lutheran School



Central Canteen, Newton



Metal Furniture Operation, Rockwell City



Office Furniture, Friendship Baptist Church

What We Do

Iowa Prison Industries is the manufacturing division of the Department of Corrections adult correctional system.

Iowa Prison Industries is a supplier of goods and services to State and local government agencies, public educational systems, and not-for-profit organizations that receive tax dollars.

Iowa Prison Industries is self-supporting through its revenues from sales. IPI supplies quality products and services to government agencies at competitive prices.

Iowa Prison Industries supplies many of the needs of the correctional system (such as furniture, clothing, cleaning supplies, printing and modular panels), reducing the taxpayers' costs for operating the State's prisons.

Iowa Prison Industries is a correctional program: industrial production teaches work habits and skills to men and women who typically have no prior meaningful employment experience and who, once released, will need legitimate work. Correctional Industries contribute to higher post-release employment success and lower recidivism (return to prison) rates.



Iowa Prison Industries is part and parcel of the management and control of Iowa's ever increasing prison population. IPI represents the primary tool for eliminating idleness, a leading cause of disruptiveness and violence behind prison walls.

Iowa Prison Industries is a large-scale purchaser of goods and services, supporting many businesses in small and large communities throughout the State.

Iowa Prison Industries replicates outside working world conditions. IPI inmates punch time clocks and are paid an hourly stipend (depending on the job title and time in grade) with the additional possibility of productivity bonuses. An inmate's work shift is typically seven hours per day, five days per week. In extraordinary circumstances, overtime may be authorized to meet deadlines. Again to replicate outside realities, IPI inmate workers are required either to have a high school diploma or to be making progress toward earning an equivalency diploma.

Iowa Prison Industries employs 81 staff workers in various capacities of inmate management.

**Iowa Prison Industries Is
100% Self-Funding!**



Move & Install Operation, Des Moines



Federal Surplus Operation, Des Moines



Cabinetry, Sixth Judicial District

New IPI Showroom

Constructed at no cost to the taxpayers of the State of Iowa!



Photos continued on page 26.

Benefits of IPI

Iowa Prison Industries Is The Best Value In State Government!

Benefits To Taxpayers:

- Iowa Prison Industries is 100% self-funding.
- Iowa Prison Industries provided over 1.1 million hours of tax-free inmate training in FY2010.
- Iowa Prison Industries provides nearly 600 inmate jobs per day and in FY2010 trained over 1,500 inmates in work programs.
- Iowa Prison Industries is the single most important tool available that will impact recidivism. IPI provides hope.

Iowa Prison Industries purchased over \$15 million in raw materials, supplies & services in FY2010.

Benefits To Customers:

- 99.1% of Iowa Prison Industries' customers rated IPI an EXCELLENT or GOOD supplier in FY2010 and 98.5% said they would recommend IPI to others.
- Quality products.
- Real value for their money.
- Reliable labor at reasonable rates.
- Full-service operation.

Satisfied customers keep coming back! 99.1% of our customers rated us EXCELLENT or GOOD in FY2010!

Benefits To Corrections:

Iowa Prison Industries programmatic benefits include:

- Security, inmate control, reduced idleness.
- Helps to prepare inmate for re-entry into society.
- Reduces operating costs for the prison.

*"the analysis of the effect of prison industries participation on institutional behavior found a consistent pattern of lower rates of involvement in officially-recorded disciplinary violations among inmates assigned to industry programs" **

**Hindelang Criminal Justice Research Center, State of New York at Albany*

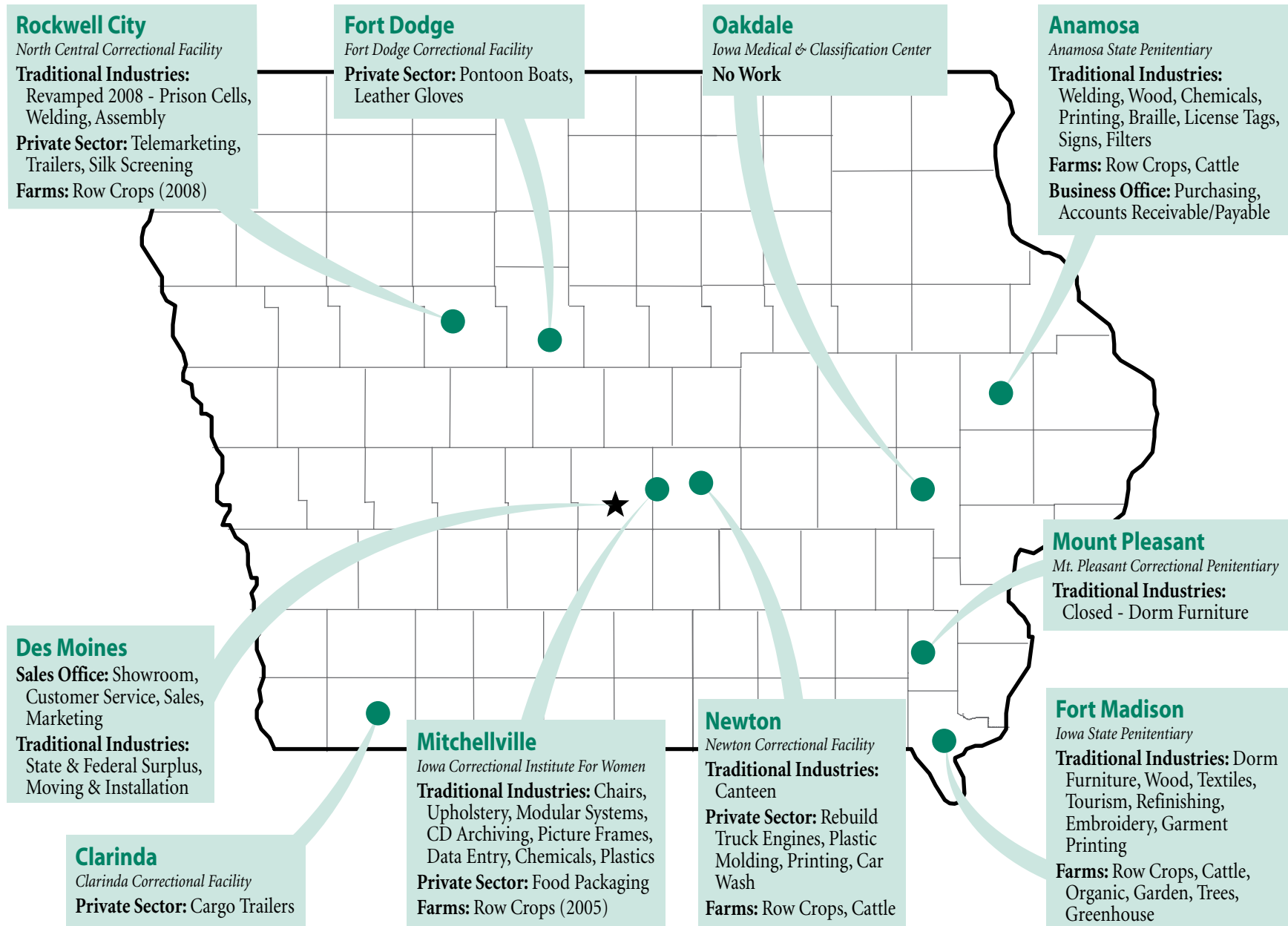
Benefits To Offenders:

- Marketable skills.
- Developing of a sound work ethic.
- Self confidence and pride of accomplishment.
- Savings and family support.

Offenders are released with a sparkle of hope!

Iowa Prison Industries Is A Tax-Free Program!

IPI Locations



Financial Data

Financial Statement Summary FY2010

	----- SALES -----		----- CHANGE -----	
	FY2010	FY2009	\$	%
ANAMOSA				
License Plates	\$1,081,064	\$987,786	416,960	9.4%
Sign	3,115,513	2,908,437	207,076	7.1%
Graphic Arts	852,981	905,979	(52,998)	(5.8)%
Housekeeping/Laundry	784,437	867,636	(83,199)	(9.6)%
Filters	259,818	248,142	11,677	4.7%
Metal Furniture	2,397,381	2,389,881	7,500	0.3%
Custom Wood	279,797	665,453	(385,656)	(58.0)%
Braille	324,798	304,798	19,294	6.3%
Rockwell City Operation	37,127	0	37,127	0.0%
ANAMOSA TOTAL	9,132,210	9,278,112	(145,902)	(1.6)%

FT MADISON				
Furniture	1,942,929	2,060,547	(117,618)	(5.7)%
Recycled Wood	2,892	6,584	(3,691)	(56.1)%
Textile	702,726	1,133,261	(430,535)	(38.0)%
Tourism/Call Center	184,924	283,713	(98,789)	(34.8)%
FT MADISON TOTAL	2,833,471	3,484,105	(650,634)	(18.7)%

	----- SALES -----		----- CHANGE -----	
	FY2010	FY2009	\$	%
MITCHELLVILLE				
Panels & Seating	1,443,557	1,198,374	245,183	20.5%
CD Rom	18,124	193,333	(175,208)	(90.6)%
Housekeeping/Chemical	741,644	777,438	(35,794)	(4.6)%
Textiles	310,402	249,314	61,089	24.5%
Plastics	924,004	1,050,998	(126,994)	(12.1)%
MITCHELLVILLE TOTAL	3,437,732	3,469,457	(31,724)	(0.9)%

DES MOINES				
State Surplus	11,859	103,367	(91,508)	(88.5)%
Federal Surplus Property	109,272	75,946	33,327	43.9%
Moving & Installation	272,862	398,069	(125,207)	(31.5)%
DES MOINES TOTAL	393,994	577,381	(183,388)	(31.8)%

Novelties	10,849	0	10,849	0.0%
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CANTEEN	4,475,272	4,724,370	(249,099)	(5.3)%
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	----- SALES -----		----- CHANGE -----	
	FY2010	FY2009	\$	%
TOTAL	20,283,528	21,533,426	(1,249,898)	(5.8)%

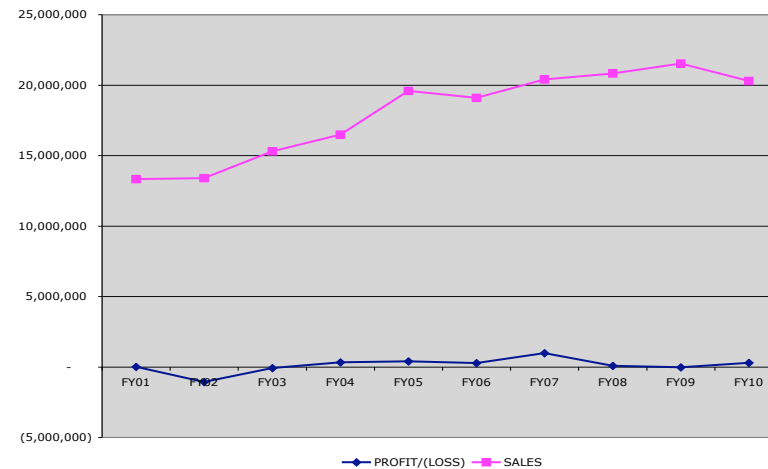
IPI Supports The Local Economy: IPI Purchased Over \$15 Million in Raw Materials, Supplies & Services In FY2010

*Unaudited

Financial Data

10 Year Sales & Profit Trends FY2001 - FY2010

	PROFIT	SALES
FY10	292,608	20,283,528
FY09	(23,921)	21,533,426
FY08	73,126	20,819,986
FY07	976,907	20,398,056
FY06	279,018	19,095,222
FY05	401,110	19,582,139
FY04	332,976	16,483,191
FY03	(71,199)	15,291,186
FY02	(1,063,259)	13,386,781
FY01	10,247	13,333,308



- IPI has increased sales each year except FY2010, in spite of agencies continuing to ignore Iowa Code 904.808. The Auditor's Report has previously reported this and has recommended code change or corrective action by the legislature.
- 1996 was the last license tag re-issue. Profits increase during re-issue years.
- In 2010, IPI rebated \$427,423 to the Department of Corrections for Canteen.
- In 2005, IPI took over the Federal Surplus operations from DAS. Federal Surplus consolidated with State Surplus, which IPI has operated since 1997.

IPI's mandate is to employ offenders, not to make money.

Financial Data

Top 50 Customers

FY2000		DOLLARS	FY2010		DOLLARS
VOLUNTARY PURCHASERS			VOLUNTARY PURCHASERS		
1	IOWA STATE UNIVERSITY	\$ 1,650,764	1	UNIVERSITY OF IOWA	\$ 1,075,482
2	VARIOUS SURPLUS DEPT.	\$ 169,758	2	IOWA STATE UNIVERSITY	\$ 507,287
3	UNIVERSITY OF IOWA	\$ 103,448	3	IOWA WESTERN CMMTY COLLEGE	\$ 405,793
4	LINN CO. ENGINEER	\$ 69,989	4	WATERLOO CMMTY SCHOOL	\$ 352,513
5	DAVENPORT SCHOOL ADMIN.	\$ 49,765	5	UNIVERSITY NORTHERN IA PURCH	\$ 314,149
6	GRINNELL COLLEGE	\$ 48,912	6	DES MOINES IND CMMTY SCHOOL	\$ 265,367
7	COURT ADMIN. / WATERLOO	\$ 46,043	7	BONDURANT-FARRAR CMMTY SCHOO	\$ 92,625
8	MT. PLEASANT COMM. SCHOOL	\$ 44,134	8	JONES CO ENG	\$ 90,738
9	DES MOINES IND COMM. SCHOOL	\$ 43,029	9	WEBSTER CO ENG	\$ 80,288
AGENCY PURCHASERS			10	WEST DES MOINES CMMTY SCHOOL	\$ 70,725
10	DOT - DES MOINES	\$ 1,189,582	11	NORTH CAROLINA DEPT OF	\$ 69,422
11	DOT - AMES	\$ 919,749	12	STONE CITY IRON & METAL	\$ 68,499
12	HUMAN SERVICES DEPT.	\$ 745,970	13	MAXIMUM SECURITY SYSTEMS INC	\$ 67,200
13	ECONOMIC DEV. DEPT	\$ 718,084	14	ST MALACHY SCHOOL	\$ 66,342
14	FT. DODGE CORR. FACILITY	\$ 467,205	15	ST JOSEPHS CATHOLIC CHURCH	\$ 63,445
15	ICIW - MITCHELLVILLE	\$ 318,631	16	ALPHA GAMMA RHO	\$ 61,869
16	NEWTON CORR. FACILITY	\$ 299,802	17	DAVENPORT SCHL ADMIN SERV CENT	\$ 59,671
17	MT. PLEASANT CORR. FACILITY	\$ 284,891	18	LEE CO SHERIFF	\$ 55,839
18	ANAMOSA STATE PENITENTIARY	\$ 273,962	19	APLINGTON-PARKERSBURG SCHOOL	\$ 52,363
19	IOWA STATE PENITENTIARY	\$ 263,457	20	NORWALK CMMTY SCHOOL	\$ 49,049
20	GLENWOOD STATE HOSPITAL	\$ 199,935	21	CEDAR RAPIDS CMMTY SCHOOL	\$ 47,414
21	CLARINDA CORR. FACILITY	\$ 179,488	22	WINNESHIEK CO ENG	\$ 45,159
22	DHS REGION 5	\$ 160,578	23	FAYETTE CO ENG	\$ 44,997
23	NATURAL RESOURCES/DM	\$ 149,503	24	CLARINDA YOUTH CORP	\$ 44,544
24	EDUCATION DEPT	\$ 139,946	AGENCY PURCHASERS		
25	CENTRALIZED PRINTING	\$ 135,037	25	DOT DES MOINES VEHICLE REG	\$ 1,096,832
26	STATE VEHICLE DISPATCH	\$ 134,430	26	GLENWOOD RESOURCE CTR #91	\$ 526,242
27	HUMAN RIGHTS DEPT.	\$ 129,933	27	DOT AMES	\$ 520,485
28	DHS REGION 3	\$ 124,586	28	ANAMOSA ST PENITENTIARY	\$ 340,082
29	BOARD OF MEDICAL EXAMINERS	\$ 117,616	29	BLIND DEPT FOR THE	\$ 319,986
30	IMCC - OAKDALE	\$ 111,280	30	IOWA MEDICAL CLASS CENTER	\$ 305,599
31	CORRECTIONS DEPT.	\$ 101,571	31	MT PLEASANT CORR FAC	\$ 296,156
32	GENERAL SERVICES DEPT.	\$ 100,847	32	FORT DODGE CORR FACILITY	\$ 262,574
33	HUMAN SERVICES DEPT.	\$ 89,756	33	DHS FISCAL MGMT	\$ 246,805
34	REVENUE DEPT	\$ 89,223	34	CLARINDA CORRECTIONAL FACILITY	\$ 246,275
35	IOWA VETERANS HOME	\$ 88,027	35	NATURAL RESOURCE DES MOINES	\$ 214,769
36	DHS REGION 1	\$ 86,427	36	ECONOMIC DEVELOPMENT	\$ 208,962
37	DHS REGION 2	\$ 85,463	37	IOWA WORKFORCE DEV	\$ 201,683
38	IOWA WORKFORCE DEV.	\$ 80,941	38	IOWA STATE PENITENTIARY	\$ 193,960
39	NORTH CENTRAL CORR. FACILITY	\$ 73,966	39	ANAMOSA ST PENITENTIARY	\$ 163,883
40	CIVIL RIGHTS COMM.	\$ 72,182	40	NEWTON CORRECTIONAL FAC	\$ 163,227
41	PHARMACY EXAMINER BRD	\$ 70,573	41	WOODWARD RESOURCE CENTER	\$ 151,354
42	DHS REGION 4	\$ 68,533	42	ADMINISTRATIVE SERV DEPT OF	\$ 139,954
43	THIRD JUDICIAL DISTRICT	\$ 62,020	43	IOWA CRRCTNL INST WOMEN	\$ 139,552
44	CLARINDA YOUTH CORP.	\$ 61,360	44	IOWA VETERANS HOME	\$ 130,632
45	WOODWARD RESOURCE CENTER	\$ 61,029	45	DEPT OF NATURAL RESOURCES	\$ 101,638
46	DENTAL EXAMINER BRD	\$ 58,882	46	CORRECTIONS DEPT OF	\$ 78,116
47	VOCATIONAL REHABILITATION	\$ 55,583	47	NORTH CENTRAL CORR FACILITY	\$ 54,277
48	HEALTH DEPT.	\$ 53,368	48	IOWA JUVENILE HOME	\$ 51,656
49	PERSONNEL DEPT	\$ 43,319	49	ADMINISTRATIVE SERV DEPT OF	\$ 45,761
50	MHI / MT PLEASANT	\$ 42,674	50	DHS SERVICE AREA 5	\$ 44,542

- In FY2000, only 9 (18%) of IPI's top 50 customers were volunteer purchasers.
- In FY2009, 20 (48%) of IPI's top 50 customers were volunteer purchasers.

This confirms IPI's quality, service and price reputation is reaching new customers.

*Excludes Canteen & Interdepartmental Sales

Satisfied Customers

Customer Testimonials

**Satisfied Customers
Tell Their Friends.**

Roosevelt Middle School, Dubuque: Shelving

"Thanks for getting all the shelves built in such a short time... The shelves will certainly fit the need that I have for textbook storage and the special dimensions will make them look as though they were part of the original plan. Thanks again."

– Dale Lass, Principal - June 2010

Youth Shelter Care of North Central Iowa, Inc: Furniture

"I just wanted you to know how much I appreciate the FAST delivery of the tables we ordered... Please extend a great thank you to the Anamosa IPI staff and workers for the excellent production and the expeditious delivery!!!! I will continue to look to IPI first when I have furniture needs and others needs as well."

– Dennis G Baugh, Executive Director - March 2010



McKinley MS, Cedar Rapids: School & Library Furniture

"I just wanted to send you a follow up note to tell you how happy we are with our new furniture. It is absolutely beautiful! Your team was great to work with through

all of our design changes, multiple contacts at McKinley, and last minute details. Your team's professionalism shows through clearly in the results! Thank you so much for your work, and please extend our gratitude to the other folks who worked on this project. I hope to be able to work with you again in the future!"

-- Kristen Rickey, Principal - December 2009

Iowa Dept of Economic Development: Framing

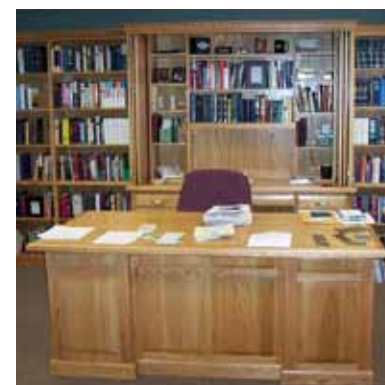
"IPI went above and beyond expectations to make our Golden Dome event a success. Thanks."

– Barb Hartman, Acctg Tech - November 2009

Friendship Baptist Church: Office Furniture

"We have been very pleased with the quality of the furniture and appearance. Everyone was gracious and professional."

– Terry Hamilton, Pastor
- November 2009



Furniture Restoration

"The furniture is absolutely gorgeous. I am proud to have it in my home."

– Sandy Antons, Employee of Anamosa CSD - November 2009

Picture Framing

"The offender who helped me was very knowledgeable & had good suggestions. Very professional."

– Monica Reynolds, Employee of ICIW - October 2009

United Methodist Conference Center: Moving & Installation

"Everything went very well and all of your staff was cooperative and the workers worked hard and kept busy. Very well done."

– Charles W. Smith, Treasurer - August 2009

State Of Iowa Code

904.801-STATEMENT OF INTENT

It is the intent of this division that there be made available to inmates of the state correctional institutions opportunities for work in meaningful jobs with the following objectives:

1. **To develop within those inmates willing to accept and persevere in such work:**
 - a. Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;
 - b. Good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system; and
 - c. To the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.
2. **To enable those inmates willing to accept and persevere in such work to:**
 - a. Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence;
 - b. Make restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;
 - c. Make it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary if they were employed in the community; and
 - d. Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.

904.803-PRISON INDUSTRY ADVISORY BOARD

1. **There is established a state prison industries advisory board, consisting of seven members selected as prescribed by this subsection.**
 - a. Five members shall be appointed by the governor for terms of four years beginning July 1 of the year of appointment. They shall be chosen as follows:
 - (1) One member shall represent agriculture and one member shall represent manufacturing, with particular reference to the roles of their constituencies as potential employers of former inmates of the state's correctional institutions.
 - (2) One member shall represent labor organizations, membership in which may be helpful to former inmates of the state's correctional institutions who seek to train for and obtain gainful employment.
 - (3) One member shall represent agencies, groups and individuals in this state which plan and maintain programs of vocational and technical education oriented to development of marketable skills.
 - (4) One member shall represent the financial industry and be familiar with accounting practices in private industry.
 - b. One member each shall be designated by and shall serve at the pleasure of the state director and the state board of parole, respectively.
 - c. Upon the resignation, death or removal of any member appointed under paragraph "a" of this subsection, the vacancy shall be filled by the governor for the balance of the unexpired term. In making the initial appointments under that paragraph, the governor shall designate two appointees to serve terms of two years and three to serve terms of four years from July 1, 1977.
2. **Biennially, the industries board shall organize by election of a chairperson and a vice chairperson, as soon as reasonably possible after the new appointees have been named.** Other meetings shall be held at the call of the chairperson or of any three members, as necessary to enable the industries board to discharge its duties. Board members shall be reimbursed for expenses actually and necessarily incurred in the discharge of their duties, and those members not state employees shall also be entitled to a per diem as specified in section 7E.6 for each day they are so engaged.
3. **The state director shall provide such administrative and technical assistance as is necessary to enable the industries board to discharge its duties.** The industries board shall be provided necessary office and meeting space at the seat of government.

State Of Iowa Code

904.804-DUTIES OF THE BOARD

The industries board's principal duties shall be to promulgate and adopt rules and to advise the state director regarding the management of Iowa State Industries so as to further the intent stated by section 904.801.

904.805-DUTIES OF THE DIRECTOR

The state director, with the advice of the industries board, shall:

1. **Conduct market studies** and consult with public bodies and officers who are listed in section 904.807, and with other potential purchasers, for the purpose of determining items or services needed and design features desired or required by potential purchasers of Iowa State Industries products or services.
2. **Receive, investigate and take appropriate action upon any complaints** from potential purchasers of Iowa State Industries products or services regarding lack of cooperation by Iowa State Industries with public bodies and officers who are listed in section 904.807, and with other potential purchasers.
3. **Establish, transfer and close industrial operations as deemed advisable** to maximize opportunities for gainful work for inmates and to adjust to actual or potential market demand for particular products or services.
4. **Establish and from time to time adjust, as necessary, levels of allowances** paid to inmates working in Iowa State Industries.
5. **Coordinate Iowa State Industries, and other opportunities for gainful work available to inmates of adult correctional institutions, with vocational and technical training opportunities and apprenticeship programs, to the greatest extent feasible.**
6. **Promote, plan, and when deemed advisable, assist in the location of privately owned and operated industrial enterprises** on the grounds of adult correctional institutions, pursuant to section 904.809.

904.808-STATE PURCHASING REQUIREMENTS (Poorly Enforced)

1. **A product possessing the performance characteristics of a product listed in the price lists prepared pursuant to section 904.807 shall not be purchased by any department or agency of state government from a source other than Iowa state industries, except:**
 - a. When the purchase is made under emergency circumstances, which shall be explained in writing by the public body or officer who made or authorized the purchase if the state director so requests; or
 - b. When the state director releases, in writing, the obligation of the department or agency to purchase the product from Iowa State Industries, after determining that Iowa State Industries is unable to meet the performance characteristics of the purchase request for the product, and a copy of the release is attached to the request to the Director of Revenue and Finance for payment for a similar product, or when Iowa State Industries is unable to furnish needed products, comparable in both quality and price to those available from alternative sources, within a reasonable length of time. Any disputes arising between a purchasing department or agency and Iowa State Industries regarding similarity of products, or comparability of quality or price, or the availability of the product, shall be referred to the Director of the Department of General Services, whose decision shall be subject to appeal as provided in section 18.7. However, if the purchasing department is the Department of General Services, any matter which would be referred to the director under this paragraph shall be referred to the executive council in the same manner as if the matter were to be heard by the Director of the Department of General Services. The decision of the executive council is final.
2. **The state director shall adopt and update as necessary rules setting specific delivery schedules for each of the products manufactured by Iowa State Industries.** These delivery schedules shall not apply where a different delivery schedule is specifically negotiated by Iowa state industries and a particular purchaser.
3. **A department or agency of the state shall cooperate and enter into agreements, if possible, for the provision of products and services under an inmate work program** established by the state director under section 904.703.

Private Sector

Private Sector companies and jobs have felt the impact of a downward directional economy. In 2009, Iowa experienced the sharpest decline in private sector jobs since the inception of the self-funding program in 1992, and this trend continued in 2010. In spite of the loss of inmate jobs, the program has worked as intended. Federal Law requires that offenders be the first to be displaced. When the economy returns to a robust growth, so will the private sector jobs. The unfortunate impact has resulted in lower restitution, child support and room and board payments.

***Private Sector provided
over 200,000 hours of inmate
contact in FY2009.***

Quick Facts:

- Over 130 inmates work in private sector.
- Private Employers may employ inmates in Iowa.
- Private Employers must pay prevailing wages. Inmates earn \$7.50 to \$12.64 per hour.
- Private Employers are obligated to offer inmates a job upon release from prison.
- Iowa inmates may keep no more than 20% of their wages. Refer to page 20 for wage distribution.
- Private Employers must provide all supervision. NO state assistance is available.
- IPI/DOC has local responsibility for program administration, under the guidance of the Federal Bureau of Justice.
- Private Sector inmates have paid over \$5.2 million in TAXES.
- Private Sector inmates have paid over \$2.3 million in Child Support.
- Private Sector inmates have paid over \$1.5 million in Victims Comp.
- Private Sector inmates have paid back to the General Fund over \$9.4 million.
- Private Sector jobs are the fastest growing jobs nationally.
- Private Sector jobs are almost always service/manufacturing.
- Private Sector jobs are the most cost efficient jobs the state can offer.
- Private Sector jobs are the most volatile, highly dependent upon a strong economy.

Little known fact: IPI inmates paid more in child support in 2010 than all of the Iowa inmates combined earned in 1997!

Private Sector

80% of an inmate's wages goes to satisfy obligations!

**Iowa Outperforms
The Nation!**

	Since Inception Iowa Inmates Have Paid	% Of Wages Earned	Nationally Iowa Ranks
Inmate Population			37th
Total Wages Earned	\$27,220,150		7th
Wage Redistribution			
Victims Programs	\$3,075,654	11.8%	4th
Room & Board	\$9,988,737	38.6%	5th
Family Support	\$2,447,186	9.5%	4th
Taxes Paid	\$5,453,875	21.0%	3rd
Mandatory Savings	\$2,475,020	9.5%	3rd
Inmate Share	\$5,428,574	20.9%	12th

Iowa Private Sector Employment Works!

In a recent study conducted by Cindy J. Smith, Ph.D., of the University Baltimore, her final report submitted to NIJ described findings from a multi-state study, including Iowa. The following highlights the findings from the Iowa sample, which tracked 1,091 inmates who worked in private sector prison industries jobs and were released from prison between 1999 and 2001, and compared their results with similar offenders who had worked in either traditional prison industries or other institutional jobs. All offenders were tracked through mid-2003. This results in a follow-up period of slightly less than two years up to four and one-half years.

Fact #1: Private sector prison workers **significantly more likely to get jobs following release.** 80% of private sector prison workers obtained employment within the first quarter upon release, compared to 60% of the other groups. 11% of private sector prison workers did not have reported earnings on follow-up, compared with 21% and 27% of the other groups.

Fact #2: Private sector prison workers **significantly more likely to be continuously employed following release.** 49.2% of private sector prison workers were employed for one year or more continuously, compared to 43.9% and 45.6% of the other groups.

Fact #3: Private sector prison workers **retained employment significantly longer** than the comparison groups, based on survival analysis of the employment data described above.

Fact #4: Private sector prison workers **earn more wages and higher wages.** Mean wages for private sector prison workers over 6.6 quarters were \$4,381 to \$5,620 higher than the comparison groups.

Fact #5: Private sector prison workers **significantly more likely to stay out of prison,** compared to offenders who were not involved in prison industries while incarcerated. 95.5% of private sector prison workers, and 95.6% of the traditional prison industries comparison group remained out of prison during the follow-up period, compared to 91.2% of the comparison group who had other institutional job assignments.

What this means: Iowa Prison Industries' private sector prison employment program **helps released offenders become taxpaying citizens quicker and remain employed longer** than similar offenders who did not work in private sector prison jobs, and **reduces their likelihood of returning to prison. These findings demonstrate private sector prison employment is an effective means to successful offender reentry into the community.**

Iowa Leads The Nation In Rehabilitation!

Private Sector

904.809-PRIVATE SECTOR EMPLOYMENT

1. The following conditions shall apply to all agreements to provide private industry employment for inmates of correctional institutions:

- a. The state director and the industries board shall comply with the intent of section 904.801.
- b. An inmate shall not be compelled to take private industry employment.
- c. Inmates shall receive allowances commensurate with those wages paid persons in similar jobs outside the correctional institutions. This may include piece rating in which the inmate is paid only for what is produced.
- d. Employment of inmates in private industry shall not displace employed workers, apply to skills, crafts, or trades in which there is a local surplus of labor, or impair existing contracts for employment or services.
- e. Inmates employed in private industry shall be eligible for workers' compensation in accordance with section 85.59.
- f. Inmates employed in private industry shall not be eligible for unemployment compensation while incarcerated.
- g. The state director shall implement a system for screening and security of inmates to protect the safety of the public.

2. a. **Any other provision of the Code to the contrary notwithstanding, the state director may, after obtaining the advice of the industries board, lease one or more buildings or portions thereof on the grounds of any state adult correctional institution, together with the real estate needed for reasonable access to and egress from the leased buildings, for a term not to exceed twenty years, to a private corporation for the purpose of establishing and operating a factory for the manufacture and processing of products, or any other commercial enterprise deemed by the state director to be consistent with the intent stated in section 904.801.**

- b. Each lease negotiated and concluded under this subsection shall include, and shall be valid only so long as the lessee adheres to, the following provisions:
 - (1) Persons working in the factory or other commercial enterprise operated in the leased property, except the lessee's supervisory employees and necessary support personnel approved by the industries board, shall be inmates of the institution where the leased property is located who are approved for such work by the state director and the lessee.
 - (2) The factory or other commercial enterprise operated in the leased property shall observe at all times such practices and procedures regarding security as the lease may specify, or as the state director may temporarily stipulate during periods of emergency.

3. **The state director, with the advice of the prison industries advisory board, may provide an inmate work force to private industry.** Under the program inmates will be employees of a private business.

4. **Private or nonprofit organizations may subcontract with Iowa State Industries to perform work in Iowa State Industries shops located on the grounds of a state institution.** The execution of the subcontract is subject to the following conditions:

- a. The private employer shall pay to Iowa State Industries a per unit price sufficient to fund allowances for inmate workers commensurate with similar jobs outside corrections institutions.
- b. Iowa State Industries shall negotiate a per unit price which takes into account staff supervision and equipment provided by Iowa State Industries.

5. a. **An inmate of a correctional institution employed pursuant to this section shall surrender to the Department of Corrections the inmate's total earnings less deductions for federal, state, and local taxes, and any other payroll deductions required by law.**

b. From the inmate's gross payroll earnings, the following amounts shall be deducted:

- (1) Twenty percent, to be deposited in the inmate's general account.
- (2) All required tax deductions, to be collected by the inmate's employer.
- (3) Five percent, to be deducted for the victim compensation fund created in section 915.94.

c. From the balance remaining after deduction of the amounts under paragraph "b", the following amounts shall be deducted in the following order of priority:

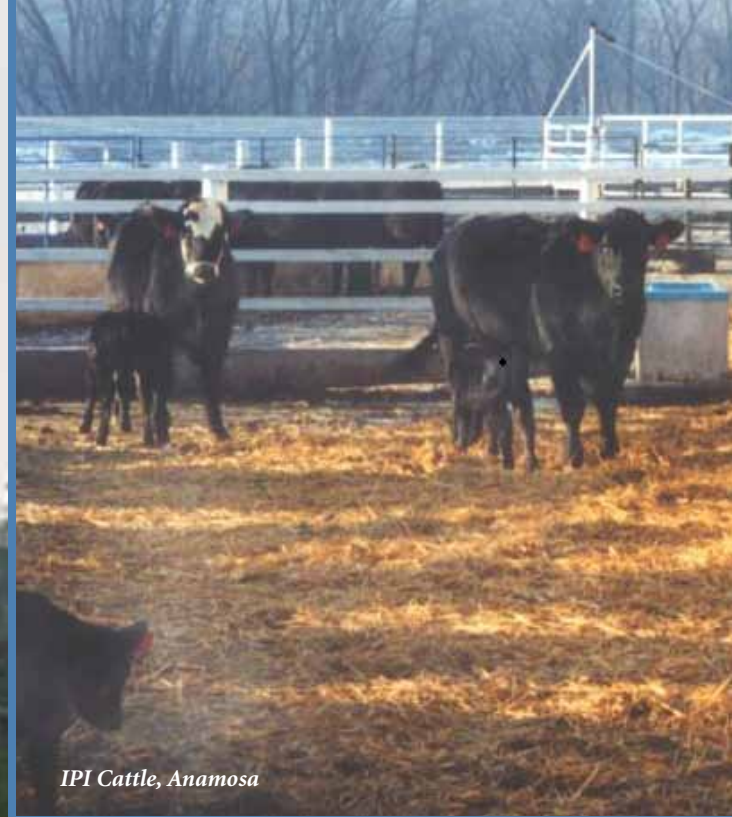
- (1) An amount which the inmate may be legally obligated to pay for the support of the inmate's dependents, which shall be paid through the Department of Human Services Collection Services Center, and which shall include an amount for delinquent child support not to exceed fifty percent of net earnings.
- (2) Restitution as ordered by the court under chapter 910.
- (3) Any balance remaining after the deductions made under subparagraphs (1) and (2) shall represent the costs of the inmate's incarceration and shall be deposited, effective July 1, 2000, in the General Fund of the state.

d. Of the amount credited to the inmate's general account, the department shall deduct an amount representing any other legal or administrative financial obligations of the inmate.

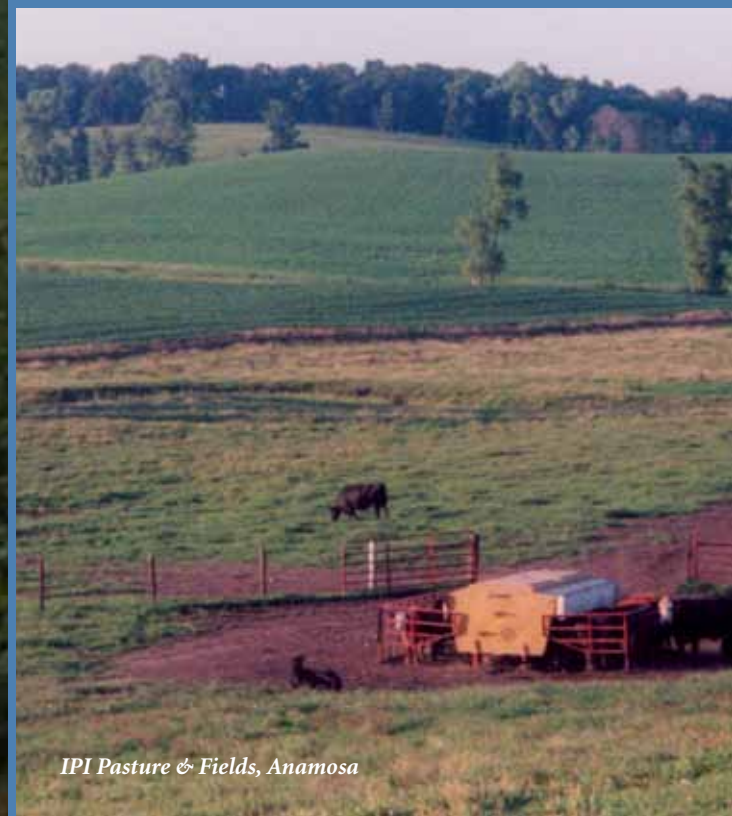
The inmate's employer shall provide each employed inmate with the withholding statement required under section 422.16, and any other employment information necessary for the receipt of the remainder of an inmate's payroll earnings.



IPI Cornfield & Buildings, Newton



IPI Cattle, Anamosa



IPI Pasture & Fields, Anamosa

IPI Farms

IPI Farms are 100% Self Funding. We operate from a revolving fund, and we manage our business much like any main-street business.

- We Pay Property Tax.
- We Pay Salaries.
- We Purchase Equipment and Buildings.
- We Pay All Operating Expenses.

IPI Farms has been the pride of Industries. Our farm staff, led by Mike Lynch, has been nothing but spectacular. For those who were around in 1996, they will remember the Legislature was threatening to sell the farms because of lack of leadership and the poor condition of the farms. Because of IPI's leadership and commitment to the land, IPI Farms are a showcase for all state properties to be measured against.

Since 1996, the Legislature has seen fit to donate or transfer 1,068.1 acres of land, all resulting in a loss of income and work for IPI Farms.

IPI Farms, because of the loss of land, may have passed the point of no return to self dependence and should be either allowed to proceed with its current ground intact, or they should be sold in their entirety. We can no longer prosper with the continued loss of revenue due to land donation and/or transfer to other agencies.



Previous Farm Manager Bill Gehl and Bandit are shown working calves at the Anamosa Farm. Bill Gehl retired in 2010 and was replaced by Mike Lynch, who has worked for IPI Farms since 1996.

IPI FARMS - LOST LAND

Location	Project	Acres	Type
Fort Madison	Economic Dev Land Exchange	11	Donation
Fort Madison	Gardens	25	Transfer
Fort Madison	Landfill	10	Donation
Glenwood	Renaissance Project	410	Donation
Glenwood	DNR Archeological Preservation	353	Transfer
Mitchellville	Prison Expansion	15	Transfer
Newton	Prison Expansion	50.2	Transfer
Newton	Garden	15.7	Transfer
Newton	Horses	27.3	Donation
Rockwell City	Garden & Prison Expansion	8.5	Transfer
Woodward	Lagoon	22.2	Transfer
Fort Madison	New Prison	95.2	Donation
Mitchellville	Prison Expansion	25	Donation

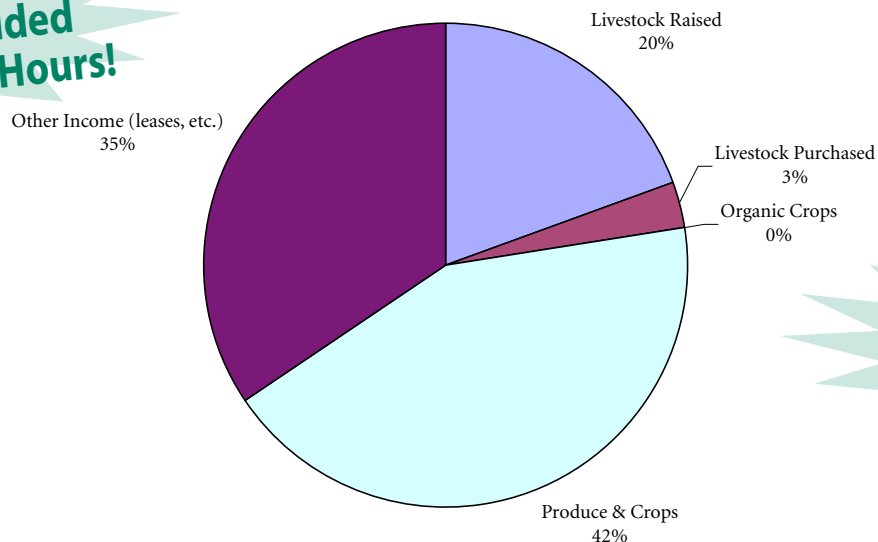
IPI Farms

Financial Data

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Farm Sales										
Sale of Livestock Raised	\$106,135	\$76,797	\$176,662	\$181,748	\$215,806	\$201,448	\$210,622	\$198,236	\$207,545	\$225,791
Sale of Livestock Purchased	\$209,629	\$273,268	\$211,877	\$33,513	\$24,160	\$22,789	\$19,412	\$30,925	\$12,132	\$34,331
Sale of Organic Crops						\$581	\$3,313	\$17,457	\$12,800	\$586
Sale of Produce & Crops	\$155,669	\$157,797	\$138,973	\$180,427	\$193,043	\$199,819	\$290,407	\$481,816	\$531,371	\$495,491
Other Income (Leases, etc.)	\$392,952	\$366,029	\$412,311	\$388,409	\$372,637	\$402,298	\$391,277	\$436,651	\$481,291	\$398,938
Total All Farms	\$864,385	\$873,891	\$939,823	\$784,097	\$805,646	\$822,935	\$915,031	\$1,164,995	\$1,272,924	\$1,155,137
Profit/Loss	\$134,750	\$161,075	\$(4,337)	\$123,643	\$80,287	\$119,797	\$219,589	\$20,559	\$(8,304)	\$33,894

IPI Farms operate on a calendar year.

**From 2006 to 2010,
IPI Farms Has Provided
65,072 Inmate Work Hours!**



**Organic Crops:
Fort Madison!**

***Thanks to sound legislation, Iowa Prison Farms should
be successful for years to come without financial assistance.***

New IPI Showroom

Dedicated to the citizens of Iowa on November 6, 2009.



IPI's first permanent home!

MISSION STATEMENT



To employ staff and inmates
who are dedicated to providing:

Exceptional Service

Reasonable Prices

Quality Products

It is this commitment to excellence that will allow our business to remain self-funding, achieve growth, provide more jobs for inmates and staff and assume a national leadership role in correctional industries.

Vision

By ensuring our mission is achieved, we will have assisted the Department of Corrections in protecting the public, staff, and inmate safety through vital work programs that will ensure the offenders' chances of a successful return to society as tax-paying citizens upon their release.



Iowa Prison Industries

A Division of The Department of Corrections
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The Iowa Correctional Institution For
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